



**Hoover City Council**

Gene Smith, *President*

John Greene, *President Pro Tempore*

John B. Lyda

Casey Middlebrooks, PhD

Derrick M. Murphy

Curt Posey

Mike Shaw

July 20, 2018

Senator G. Douglas Jones  
326 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Jones:

As Chairman of the Hoover City Council Finance Committee I wish to echo Hoover's City Administrator, Mr. Allan Rice, in support of S. 1117, the Consumer Financial Choice and Protection Act which is before you in the Senate Banking Committee. Municipalities like ours greatly rely on the use of Money Market Funds to manage their comprehensive debt management portfolio. The same applies for our school system, medical facilities, and other institutions.

Unfortunately, a well-intended rule change in 2016 by the Federal Trade Commission changed a decades long tradition of applying a fixed rate to Money Market Funds to a flexible rate. As such, this rule change brought uncertainty among many of my colleagues as we saw an exit of well over \$1 trillion in Money Market Funds to less desirable, less flexible and lower returns in other financial products.

This reform is also bi-partisan as the Senate Sponsors include Toomey of Pennsylvania and Manchin of West Virginia.

I know a number of my colleagues in the Birmingham-Hoover metropolitan area as well as our state, including the National and Alabama League of Municipalities are in strong support of S.1117. I hope you will support S.1117 as well.

Thank you for your service to the great state of Alabama!

Respectfully,

A handwritten signature in black ink, appearing to read 'John B. Lyda', written over a horizontal line.

John B. Lyda

Hoover City Council, Finance Chairman

Cc: Hon. Richard Shelby